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Document dated 18 JUNE 1971

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Approved for Release
July 2000

SECRET [REDACTED]

[REDACTED]

DATE 18 JUNE 1971
INDEX - NO
FILM - NO
TO - CHIEF, WESTERN HEMISPHERE DIVISION
INFO - NONE
FROM - CHIEF OF STATION, SANTIAGO

[REDACTED]

ACTION - SEE BELOW

REFS - NONE

[REDACTED] SANTIAGO, # CHILE - SUPPORT TO THE CHRISTIAN
DEMOCRATIC PARTY 1 JULY 1971 - 30 JUNE 1972 COST: [REDACTED]

PURPOSE:

1. [REDACTED] IS A COVERT ACTION PROJECT DESIGNED TO PROVIDE
FINANCIAL SUPPORT TO THE CHRISTIAN DEMOCRATIC PARTY OF CHILE (PDC).

[REDACTED]

THIS FINANCIAL SUPPORT WILL ALSO ENABLE THE PDC TO
CARRY OUT AN ACTIVE OPPOSITION ROLE TO THE ALLENDE REGIME.
WITHOUT SUCH [REDACTED] SUPPORT THE PDC WOULD LACK THE FINANCIAL MEANS
TO WAGE AN EFFECTIVE OPPOSITION CAMPAIGN. [REDACTED] SUPPORT IS ALSO
INTENDED TO INSURE THAT THE PDC REMAINS A VIABLE POLITICAL ALTERNATIVE
TO THE POPULAR UNITY IN FUTURE POLITICAL ELECTIONS AND
CONTESTS.

DESCRIPTION:

2. THE [REDACTED] PROJECT IS A COVERT ACTION ACTIVITY WHICH
CONSISTS OF PROVIDING FINANCIAL SUPPORT [REDACTED] TO
THE CHRISTIAN DEMOCRATIC PARTY OF CHILE. [REDACTED]

[REDACTED]

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[REDACTED]

3.

[REDACTED]

4.

[REDACTED]

BACKGROUND:

5. THE NEED FOR [REDACTED] SUPPORT TO THE PDC RESULTED FROM THE ELECTORAL VICTORY OF THE POPULAR UNITY GOVERNMENT AND

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THE INSTALLATION OF A COALITION HEAVILY DOMINATED BY THE SOCIALIST PARTY AND THE COMMUNIST PARTY OF CHILE. FOLLOWING THE ALLENDE INAUGURATION, THE PDC FOUND ITSELF NOT ONLY REMOVED FROM GOVERNMENT, BUT ALSO CUT OFF FROM ITS TRADITIONAL SOURCES OF FINANCIAL SUPPORT.

6. IN JANUARY OF 1971, AT THE REQUEST OF [REDACTED] AND WITH THE KNOWLEDGE AND CONCURRENCE OF THE AMBASSADOR, A FORMAL REQUEST WAS MADE FOR [REDACTED] SUPPORT TO THE PDC FOR THE APRIL MUNICIPAL ELECTION CAMPAIGN. [REDACTED]

7. FOLLOWING THIS MEETING, A REQUEST FOR APPROVAL OF [REDACTED] SUPPORT TO THE PDC WAS PREPARED FOR [REDACTED] CONSIDERATION. THE ORIGINAL REQUEST FOR SUPPORT TO THE PDC AMOUNTED TO [REDACTED] THIS WAS LATER FOLLOWED BY A SUPPLEMENTARY REQUEST FOR APPROVAL FROM [REDACTED] IN THE AMOUNT OF [REDACTED] BRINGING TO A TOTAL OF [REDACTED] WHICH [REDACTED] PASSED TO THE PDC [REDACTED] DURING THE WEEKS PRECEDING THE 4 APRIL ELECTIONS.

8. THE PDC EMERGED FROM THE MUNICIPAL ELECTIONS WITH 25.6 PER CENT OF THE TOTAL VOTES, REMAINING THE COUNTRY'S LARGEST INDIVIDUAL POLITICAL PARTY AND RECONFIRMING ITS ROLE AS LEADING OPPOSITION FORCE TO THE ALLENDE REGIME. AS A RESULT OF THIS STRONG ELECTORAL SHOWING, MOST PDC LEADERS CONCLUDED THAT THE PARTY SHOULD MAINTAIN ITSELF IN A CLEARLY IDENTIFIABLE OPPOSITION POSTURE TO THE U.P. GOVERNMENT. MOST PDC LEADERS ALSO AGREE THAT THE PARTY IS PRESENTLY A MORE UNITED FORCE THAN PRIOR TO THE ELECTIONS.

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PDC IN THE APRIL ELECTIONS AS WELL AS THE OVER ALL ELECTORAL
STANDOFF BETWEEN THE U.P.M. COALITION AND OPPOSITION POLITICAL
FORCES, THE PDC HAS TURNED ITS ATTENTION TO LONGER-RANGE POLITICAL
PROGRAM NEEDS. IN ORDER TO MAINTAIN THE PARTY AS A VIABLE AND
AGGRESSIVE POLITICAL FORCE, THE PDC WILL NEED A WIDE RANGE OF
ACTION PROGRAMS AND SUPPORT MECHANISMS. THE PROGRAM

[REDACTED] WOULD PERMIT THE PDC TO ENGAGE
IN A WIDE RANGE OF POLITICAL AND ORGANIZATIONAL ACTIVITIES AMONG
MAJOR SECTORS OF CHILEAN SOCIETY.

OPERATIONAL PROGRAM:

10. [REDACTED]

11. [REDACTED]

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PARTIES TO SUPPORT THEMSELVES AND OBTAIN SOURCES OF FUNDING. AS THIS OCCURS, THE GOVERNMENT WILL BE WARY FOR COVERT SOURCES OF FUNDS FOR THE PDC AND WILL TAKE GREATER EFFORTS TO EXPOSE OR TERMINATE SUCH FINANCING. THE STATION IS AWARE OF THIS PROBLEM AND WILL CONTINUALLY REVIEW THE SECURITY FACTORS OF THIS PROJECT AS THE GOVERNMENT INCREASES ITS HARASSMENT OF OPPOSITION POLITICAL GROUPS. IN THE EVENT OF CIVIL DISTURBANCE OR UPHEAVAL, STATION FEELS IT COULD SECURELY MAINTAIN CONTACT WITH [REDACTED]

[REDACTED]

ESTIMATED EFFECTIVENESS:

^{18.}
~~011~~ THAT [REDACTED] FINANCIAL SUPPORT ENABLED THE PDC TO CONDUCT A VIGOROUS MUNICIPAL ELECTION CAMPAIGN, AND IN PART CONTRIBUTED TO THE PARTY'S SUCCESSFUL OUTCOME IN THAT ELECTION, IS A FACT THAT APPEARS SELF-EVIDENT. [REDACTED] FINANCIAL SUPPORT ALSO ENABLED THE PDC TO ACQUIRE [REDACTED] AND MAINTAIN THE PARTY'S [REDACTED] PRESS [REDACTED] WHILE [REDACTED] SUPPORT HAS BEEN CONSIDERED EFFECTIVE IN SHORT-RUN POLITICAL TERMS, IT WILL NOW BE UP TO THE PDC TO DEMONSTRATE IT CAN MAINTAIN AN EFFECTIVE OPPOSITION ROLE OVER A SUSTAINED POLITICAL PERIOD.

COSTS:

19. IT IS ESTIMATED THAT THE [REDACTED] PROJECT WILL COST APPROXIMATELY [REDACTED] DURING THE FY 72 PERIOD. IN FY 71 A TOTAL OF \$1,182,000 WAS APPROVED AND EXPENDED FOR [REDACTED] SUPPORT AND ACTIVITIES. [REDACTED]

[REDACTED]

COSTS

COSTS

FY 71

FY 72

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